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PROGRAM ABC World News Tonight

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SUBJECT Intelligence Committee/Former Agents

FRANK REYNOLDS: The Senate Intelligence Committee today advised the President to forget about his plan to loosen restrictions on the CIA. The Administration has proposed the intelligence agency be allowed to operate more freely here at home by infiltrating domestic organizations.

The Committee said the restrictions imposed by President Carter should remain in effect.

The CIA is still investigating charges that some of its former agents utilized their connections with the agency in their own activities abroad, especially in Libya.

More on that in this Special Assignment report from William Sherman.

WILLIAM SHERMAN: Muammar Qadaffi, accused by the United States of financing terror throughout the Middle East. The Carter Administration refused to sell him arms. The Reagan Administration condemns him as the world's principal terrorist.

was used
But ABC News has learned that the Central Intelligence Agency's Office of Personnel ~~refused~~ to recruit American advisers to train Muammar Qadaffi's terrorist squads. This is the first indication that the offices and the apparatus of the CIA were actively used as part of that Libyan training mission, a mission allegedly masterminded by two former CIA agents.

The former agents, Frank Terpel and Edwin Wilson are charged with smuggling more than 20 tons of explosives through the busy Houston airport, destination, Libya.

In 1977 the two men also hired a team of ten active and retired members of the Army's crack troops, Green Berets. Their mission, to train Libyan squads in sabotage and guerilla warfare.

Luke Thompson, then a master sergeant was one who went. He agreed to be interviewed but only in silhouette.

LUKE THOMPSON: I was told initially, prior to going to Libya by the counter-intelligence people that they had investigated this thing to the top and it was completely legal and above aboard and I could pursue it as I desired.

SHERMAN: Letters and other documents obtained by ABC News reveal a closer link between the Libyan mission and the CIA.

Potential recruits were told that the mission was approved by that agency.

In August, 1977 Michael Echanis, a former Defense Department commando instructor wrote his friend Joseph Camp, a retired Navy demolitions expert that Libya is a CIA operation. Echanis added that there were openings for 46 men, who would be paid \$55,000 a year with a \$10,000 bonus upon completing the assignment.

Echanis told Camp to send his resume to the Office of Personnel, Post Office Box 1925, Washington, DC 20013 if he was interested in the Libyan job.

ABC News wrote to Box 1925 and received this career opportunity form from the CIA in return. Although the CIA confirms the box was and is used by their Office of Personnel, the CIA denies officially sanctioning the Libyan operation.

Despite that official denial, US intelligence sources say that in the summer of 1977 an active CIA field agent named Patre Loomis [?] came here to Green Beret headquarters at Fort Bragg, North Carolina.

Sources said that Loomis signed up Special Forces experts for the Libyan mission with the knowledge and permission of intelligence officers at Fort Bragg.

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But Michael Echanis, the commando instructor and his friend Joe Camp didn't go to Libya. Instead they went to Nicaragua to take part in a war against leftist guerillas in which the United States publicly took no side.

Echanis and Camp died during that war. Their story and their links to the Army and the CIA tomorrow.

William Sherman, ABC News, New York.